

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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R 201650Z AUG 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4756

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

USMISSION GENEVA

USMISSION OECD PARIS

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E.O.11652: N/A

TAGS: ETRD, UK, US, EEC

SUBJECT: UK CHARGES DUMPING OF STEREO FLONG BY U.S.

FIRMS

SUMMARY. A UK FIRM HAS REQUESTED THAT ANTIDUMPING DUTIES BE IMPOSED ON IMPORTS OF STEREO FLONG FROM THE U.S. DEPARTMENT OF TRADE (DOT) HAS ACCEPTED COMPLAINT ON THE BASIS OF PRIMA FACIE EVIDENCE OF IMPORTS BELOW FAIR MARKET PRICE AND MATERIAL INJURY TO UK INDUSTRY. PRESS ANNOUNCEMENT WILL BE MADE AUGUST 24. END SUMMARY.

1. EMBASSY OFFICER WAS CALLED TO DOT AUGUST 19 TO BE GIVEN ADVANCE NOTIFICATION THAT A UK FIRM, JOSEPH BATCHELOR LTD., HAD APPLIED TO HAVE ANTIDUMPING DUTIES IMPOSED ON IMPORTS OF STEREO FLONG FROM BURGESS NEWS-PAPER, INC., ST. PAUL, MINNESOTA. COMPLAINT ALLEGES LIMITED OFFICIAL USE

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THAT:

(A) STEREO FLONG ORIGINATING IN THE U.S. IS BEING EXPORTED TO THE UK AT PRICES BELOW THE FAIR MARKET PRICE APPROPRIATE TO THE U.S.;

(B) THIS PRACTICE CONSTITUTES DUMPING AS DEFINED IN SECTION 1 OF THE UK CUSTOMS DUTIES (DUMPING AND SUBSIDIES) ACT OF 1969;

(C) AS A RESULT, MATERIAL INJURY HAS BEEN CAUSED AND FURTHER INJURY IS THREATENED TO THE UK INDUSTRY.

2. DOT HAS ESTABLISHED TO ITS INITIAL SATISFACTION THAT PRIMA FACIE EVIDENCE INDICATES STEREO FLONG ORIGINATING IN U.S. IS BEING IMPORTED INTO THE UK AT ABOUT SIX POUNDS (APPROXIMATELY 10.68 DOLLARS) BELOW FAIR MARKET PRICE FOR STANDARD PACKAGE OF 100 FLONGS. USING EXCHANGE RATE OF 1.78 POUNDS TO DOLLAR, DOT CALCULATES BURGESS IS SELLING 100 FLONGS ("030 CALIBER") AT 31 POUNDS FOB FREEPORT, ILLINOIS AND 25 POUNDS IN UK. (FYI. A FLONG IS A BROWN, PAPER-BASED MAT USED IN NEWSPAPER PRINTING TO MAKE FINAL MOLDS FOR PRINTING PLATES.)

3. BATCHELOR HAS PROVIDED DOT WITH DATA CLAIMING TO SHOW THAT "IMPORTS FROM THE UNITED STATES ARE CAUSING MATERIAL INJURY AND THREATENING FURTHER MATERIAL INJURY TO THE UK INDUSTRY IN THAT SALES ARE BEING LOST TO THE ALLEGEDLY DUMPED IMPORTS." THE EXACT COST/SALES DATA SHOWING MATERIAL INJURY ARE CONFIDENTIAL BETWEEN UK FIRMS AND DOT, BUT DOT IS SATISFIED THAT A PRIMA FACIE CASE HAS BEEN MADE.

4. BATCHELOR IS SOLE PRODUCER OF THIS TYPE FLONG IN UK (AND WE UNDERSTAND IS 50 PERCENT OWNED BY WOOD FLONG, INC. OF NEW YORK). UK FIRM CLAIMS DUMPING FIRST BECAME APPARENT IN MID-1975 AND CONTINUES TO PRESENT TIME. NO UK CLAIMS ARE MADE REGARDING U.S. FIRM UNFAIRLY INCREASING ITS MARKET SHARE, BUT WE UNDERSTAND BURGESS HAS SOMEWHAT REDUCED BATCHELOR'S TRADITIONAL 90 PERCENT OF UK MARKET AND THAT THIS TREND IS INCREASING. UK IMPORTS THIS TYPE FLONG FROM U.S., SWITZERLAND, FRG AND GDR. TO OUR KNOWLEDGE, BURGESS IS ONLY U.S. FIRM EXPORTING TO UK.

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5. THE BASIC UK PROCEDURE FOR HANDLING DUMPING COMPLAINTS ADHERES VERY CLOSELY TO THE GATT ANTIDUMPING CODE. THERE ARE NO TIME LIMITS ON THE VARIOUS STEPS FOLLOWED BY THE UK, AS THERE ARE WITH THE USG UNDER THE TRADE ACT OF 1974.

ARMSTRONG

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPERS, ANTIDUMPING LAW (TRADE), NEWSPAPERS, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON13160
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760320-0819
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760835/aaaabdpf.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2004 by CunninFX>; APPROVED <10 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UK CHARGES DUMPING OF STEREO FLONG BY U.S. FIRMS SUMMARY. A UK FIRM HAS REQUESTED THAT ANTIDUMPING
TAGS: ETRD, UK, US, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006